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Federal Communications Commission  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

The Honorable Mark O. Hatfield  
United States Senator  
Special District Center  
727 Center Street, N.E., Suite 305  
Salem, Oregon 97301

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Dear Senator Hatfield:

Thank you for your letter of April 25, 1996, on behalf of your constituent, Cliff Moeller, regarding the Commission's proposal to transition from licensing paging frequencies on a transmitter-by-transmitter basis to a geographic licensing approach. Mr. Moeller expresses concern that his existing paging channels will be awarded to someone else in a competitive bidding process.

On February 8, 1996, the Commission issued a Notice of Proposed Rule Making (Notice) in **WT Docket No. 96-18** and PP Docket No. 93-253, which proposes to transition from licensing paging channels on a transmitter-by-transmitter basis to a geographic licensing approach. An important issue in the Notice is its potential impact on paging systems that have been licensed already on a site-specific basis. Under the proposal, incumbent licensees would be allowed to continue to operate under their existing site-specific authorizations or a single system-wide license and geographic licensees would be required to provide protection to all co-channel systems that are constructed and operating within their service areas.

Extensive comments have been filed in response to this issue, as well as the other issues proposed in the Notice. While I cannot prejudge the Commission's decision, I can assure you that we will carefully consider the comments of the paging industry and the concerns stated in your constituent's letter.

Thank you for your inquiry.

Sincerely,

David L. Furth  
Chief, Commercial Wireless Division  
Wireless Telecommunications Bureau

Enclosure

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# United States Senate

WASHINGTON, DC 20510-3701

April 25, 1996

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Ms. Judith L. Harris  
Federal Communications Commission  
Director, Office of Legislative Affairs  
1919 M Street N.W., Rm. 808  
Washington, DC 20554

Dear Ms. Harris:

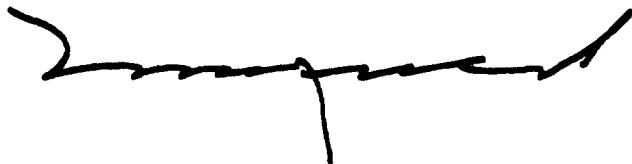
Please find enclosed a copy of a letter I recently received from Mr. Cliff Moeller regarding the FCC's proposal to auction off existing paging channels through market area licensing.

Because I want to do everything possible to be responsive to the concerns and requests of my constituents, I would be grateful if you would give the Moeller's thoughts every possible consideration within the confines of the reviewing process. After you have completed your review, please send your findings and comments to my Salem office at the Special District Center, 727 Center Street N.E., Suite 305, Salem, Oregon 97301.

Thank you for your attention to this matter.

With kind regards.

Sincerely,



Mark O. Hatfield  
United States Senator

MOH/mg  
Enclosure


**BUSINESS**
**Please Reply To:**
☒ **Salem Office**  
 660 High St., N.E.  
 Salem, Oregon 97301  
 (503) 363-0056

☐ **Portland Office**  
 1215 S.W. Alder St.  
 Portland, Oregon 97205  
 (503) 228-3327

**March 28, 1996**
**The Honorable Mark O. Hatfield**  
 711 Hart Senate Office Building  
 Washington, DC 20510

We provide paging service in Oregon & Washington. In addition to creating employment opportunities within the two states, we also provide a valuable communications service to doctors, ambulance services, sheriff departments, emergency road services, and others concerned with safeguarding the public welfare. We are extremely concerned about the proposal of the Federal Communications Commission to auction off the radio channels we are already using. This could have devastating consequences for our business and our 27 employees.

Paging systems require constant modification and expansion, in response to our customers' need. As new businesses are opened, new delivery routes are added, and offices are relocated, it is vital that we be able to expand our coverage to include these new areas. We must also relocate and modify our paging facilities when new buildings or other obstructions block our paging signals. In 1993, when Congress authorized the FCC to auction radio spectrum, it specifically told the FCC that such auctions were to be limited to "INITIAL" licenses, and that renewal and modification applications should not be subject to auctions. Despite the clear-cut mandate that existing systems should not be drawn into auctions, the FCC is seeking to do an end-run on this restriction, by creating "market area" licenses.

Under the market area license scheme, the FCC will sell off the rights to our frequency throughout a wide geographic area, such as the Rand McNally Major Trading Area. Many MTAs contain multiple states. In order for our business to be able to modify and expand our system in the future, as needed to respond to the marketplace, we would have to successfully bid on an area which is likely to be much larger than needed for our purposes. We would also have to commit to constructing our paging system throughout this larger area, even if our revenues in future years are not sufficient to do so. Failure to meet this arbitrary buildout requirement would result in a loss of the license. We will be even worse off if we lose the auction, since the winner will be able to prevent us from modifying or expanding our system, and may be able to locate its transmitters close enough to our system to cause interference.

Our company constructed its paging system in reliance on well established FCC rules. We have expended considerable resources building our business. It is grossly unjust for the FCC to now change the rules in mid-stream, in a way that threatens to strand our

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FROM BUSINESS CONNECTIONS

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investment and jeopardize our business. Therefore we ask that you immediately clarify for the FCC the intent of your 1993 auction legislation: Existing paging channels are not to be auctioned through market area licensing.

Thank you in advance for your prompt assistance in this matter.

Sincerely,



Cliff Modler  
President